

806 KAR 9:070. Examinations

RELATES TO: KRS 304.1-050, 304.1-110(2), 304.4-010, 304.9-030(2), 304.9-105, 304.9-160, 304.9-190, 304.9-230, 304.9-320, 304.9-430, 304.9-505(5)(e), 304.15-700

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.9-160(1), 304.9-230(2), 304.15-700(2)(a), 304.15-720

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for, or as an aid to the effectuation of, any provision of the Kentucky Insurance Code, as defined in KRS 304.1-010. KRS 304.9-160(1) requires the commissioner to promulgate administrative regulations to develop and conduct examinations required by Subtitle 9 of the Kentucky Insurance Code. KRS 304.9-230(2) requires the commissioner to promulgate administrative regulations regarding examinations for limited lines of authority. KRS 304.15-700(2)(a) requires the commissioner to promulgate administrative regulations regarding the required training and examination for life settlement brokers, and KRS 304.15-720 authorizes the commissioner to promulgate regulations to implement KRS 304.15-700 through 304.15-720. This administrative regulation sets forth the timeframe during which an applicant for an agent's, life settlement broker's, consultant's, independent adjuster's, staff adjuster's, or public adjuster's license may take the appropriate examination required by the Kentucky Insurance Code, as defined in KRS 304.1-010, establishes the minimum score for successful completion of a written licensing examination, and establishes the period for which examination scores are valid.

Section 1. Definitions. (1) "Commissioner" is defined by KRS 304.1-050(1).

(2) "Department" is defined by KRS 304.1-050(2).

(3) "Examination" means a written examination required to license an applicant in accordance with KRS Chapter 304 for an independent adjuster, staff adjuster, public adjuster, agent, consultant, or life settlement broker license.

(4) "License" is defined by KRS 304.1-110(2).

Section 2. A completed "NAIC Individual Insurance Producer License Application", incorporated by reference in 806 KAR 9:340, for the examination and documentation demonstrating successful completion of any required prelicensing training shall be filed with the commissioner by, or on behalf of, the applicant, prior to the date scheduled for the examination. The application shall be accompanied by fees specified in KRS 304.4-010 and 806 KAR 4:010.

Section 3. Every applicant for a license who is required to take an examination shall answer correctly seventy (70) percent of the questions to successfully pass the examination.

Section 4. Applicable fees, as set out in KRS 304.4-010 and 806 KAR 4:010, Section 1(15), shall be submitted with the request to retake the examination. The request shall be made on an "Examination Retake Form", incorporated by reference in 806 KAR 9:340.

Section 5. An individual applying for a line of authority identified in KRS 304.9-030(2) shall successfully complete examinations as follows:

- (1) For life line of authority, a life examination;
- (2) For health line of authority, a health examination;
- (3) For property line of authority, a property examination;
- (4) For casualty line of authority, a casualty examination;
- (5) For personal lines, a property and casualty personal lines examination;

(6) For a line of authority identified in accordance with KRS 304.9-030(2)(h), an examination appropriate for the kind of insurance; and

(7) For variable life and variable annuity products, no examination is required.

Section 6. (1) The provisions of this administrative regulation shall apply to every individual resident applicant for a limited line of authority identified in KRS 304.9-230(1).

(2) An individual applying for limited lines of authority as identified in KRS 304.9-230 shall successfully complete examinations as follows:

(a) For surety limited line of authority, a surety examination;

(b) For travel limited line of authority, a travel examination;

(c) For crop limited line of authority, a crop examination;

(d) For credit limited line of authority, an examination shall not be required; and

(e) For rental vehicle limited line of authority, a rental vehicle examination shall be administered or monitored by the rental vehicle agent.

Section 7. An individual applying for a life settlement broker license shall successfully complete a life settlement examination unless exempt from examination pursuant to KRS 304.15-700(2)(b).

The examination shall be given by the commissioner or in accordance with provisions of an agreement the commissioner executes with another state.

Section 8. (1) An individual applying for a line of authority identified in KRS 304.9-430(7) or (8) shall:

(a) For property and casualty line of authority, successfully complete a property and casualty adjuster examination;

(b) For workers' compensation line of authority, successfully complete a workers' compensation adjuster examination; and

(c) For crop line of authority, successfully complete a crop adjuster examination.

(2) In lieu of successfully completing the crop adjuster examination required by subsection (1)(c) of this section, an individual applying for a crop line of authority may demonstrate certification through the Crop Adjuster Proficiency Program, by providing to the department a copy of a Crop Adjuster Proficiency Program certification identification card with an active status issued by the federal Risk Management Agency, an agency within the U.S. Department of Agriculture, which specifies the applicant has passed a proficiency examination to adjust multi-peril crop claims.

Section 9. (1) If an applicant who applies to take the examinations required by KRS Chapter 304 does not take an examination or fails to pass an examination within 120 days of the filing the application, the application shall become invalid, unless the commissioner grants an extension for good cause shown. The applicant may file a new application at any time following the expiration of the 120 day period, and an examination may be taken when scheduled by the department in the regular course of business.

(2) In determining good cause, the commissioner shall consider whether the delay to take the examination or the failure to pass the examination within the time period specified in subsection (1) of this section was due to extenuating circumstances beyond the applicant's control.

Section 10. Examination results are valid for one (1) year from the date the examination is taken. Application for additional lines of authority or licenses issued as a result of the same ex-

amination shall be received by the commissioner within the same one (1) year period. After this period, the applicant shall be retested. (37 Ky.R. 972; eff. 11-5-2010; 38 Ky.R. 839; eff. 1-6-12.)